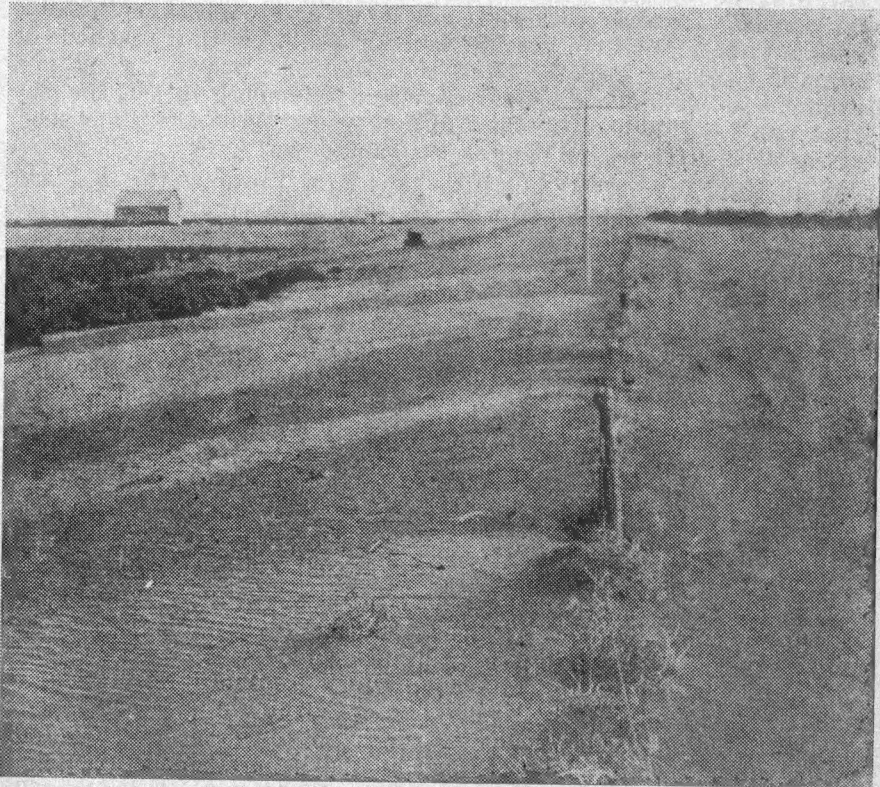


# **DEAR MR. ILSLEY**

**AN OPEN LETTER TO THE MINISTER OF FINANCE  
FROM A PRAIRIE FARM WOMAN**



A typical Saskatchewan farm following  
the drought of 1937.

## **Open Letter to Hon. J. L. Ilsley**

### **Re Sask. 1938 Seed Grain Debt**

Dear Mr. Ilsley:

Not many Saskatchewan farmers or their wives will soon forget the month of July, 1937. Day after day the sun blazed down pitilessly out of a brassy sky, shrivelling every green thing.

When it became clear that no miracle could save the crops, M. J. Coldwell, M.P., pointed out to your government that all the wheat in western elevators at that time would be needed for seed, and he pleaded with you to buy it then while it was comparatively cheap and keep it here. But oh dear no, you would not do that! The elevators were swept bare and every bushel shipped to eastern terminals.

In the spring of 1938 we were watching the wheat market carefully as we had a little wheat to sell to finance our seeding operations. Because it was only a little we had to get every possible cent out of it. Well, the market went up and up until it reached the peak of \$1.45 per bushel. Fools that we were, knowing your government as we did, we should have known enough to sell the day that you bought, because immediately you bought the 1938 seed, prices went down with a bang—down and down!

In May, 1938, I was in a little town near Empress the day that a car load of this "\$1.42 plus 6 percent interest" seed wheat arrived. In that same town, on that same day, a farmer showed me a grain ticket for a load of wheat he sold that day. He got 73 cents per bushel and he was lucky he sold then, as it later dropped to 70c.

Now Mr. Ilsley, wouldn't even you suspect there was something rotten in Denmark—or Ottawa—if you sold a load of wheat at 73c per bushel on the same day that your less fortunate neighbors had to pay \$1.42 per bushel, plus 6 percent interest for, in some cases, much inferior, dirtier wheat? Another rotten aspect of the situation was that in most cases farmers were not allowed to buy seed from their neighbors. Let me give you a classic example of how this worked out.

A farmer I know grows a lot of registered wheat and always has good, true to variety seed wheat for sale and also has the best cleaning equipment available. He cleaned 30,000 bushels of wheat for his neighbors, but they were not allowed to buy it. When he saw the dirty wheat with a high percentage of dockage that was shipped in, he was determined that the community around him would not be polluted; and so he told his neighbors to come and get what seed they wanted as he had cleaned it for them anyway, and they could bring him a bushel in the fall for the bushel they got in the spring.

But would your government allow itself to be balked of its determination to enslave these poor unfortunates? It would not!

You see these farmers also needed tractor fuel to work the land and instead of giving them an order direct for tractor fuel, you forced them to buy that dirty high priced wheat and sell it at its real (very

much lower) value in order to get money to buy tractor fuel.

Only two interpretations can be put on your actions in this 1938 seed crime. The kinder one is that you were hopelessly inefficient. The other is that you entered into a deliberate conspiracy with the speculative grain interests to bleed Saskatchewan farmers white.

Sir Clifford Sifton had the idea that the west should be occupied by a sheepskin clad peasant class, and the speculative grain interests (working in cahoots with Liberal governments) have worked hard to make that peasantry dream come true. Well, it's time you woke up!

You haven't the excuse that you didn't know the true situation, because M. J. Coldwell saw that you did know.

Some of the oats farmers had to pay 60c per bushel for, were brought by local elevators for 18c per bushel. You, too, could have bought them for that price.

Should disaster strike any part of the world—famine in India, Greece, China; earthquake in Japan, floods in U.S. or elsewhere—Saskatchewan farmers have always made a generous response in aiding the unfortunate victims. Then Saskatchewan farmers in turn in drought-stricken areas faced ten successive crop failure years. Instead of kicking them when they were down you should have regarded the situation as a national disaster and spread the cost of relief and seed over the entire nation.

Please don't ask us to believe that it is financially impossible for you to accept the offer voted for by the Saskatchewan people last June and presented to you by that people's government. We know better! We paid out our quarters (25c) to send a delegation to Ottawa to get an increase in the price of wheat, and warned that the Dominion government wouldn't get a seat in Saskatchewan "unless." So wheat jumped 20c per bushel for no economic reason on earth that had not already existed for long years.

We have watched you give millions of dollars worth of our property and our money to Beauharnois Power interests, to aluminum cartels and other Big Business corporations.

We have seen your government unable to find a few million dollars for Saskatchewan relief, and then hey presto! find a budget in 1943-44 of \$5,500,000,000.00 Why couldn't we find it in 1938?

I know a boy who lived in that drought stricken area of Saskatchewan. He travelled in freight cars from one end of Canada to another, looking in vain for a job. Some of your Liberal M.P.'s declared that these boys were no good because they couldn't get jobs. The first job this boy was offered was in the Air Force. He is now Wing Commander with D.F.C. and bar. Smokey Smith, V.C., was another of these boys. No good?

No! Just no opportunity, Peace has its hell no less than war!

Pondering all these things in my heart I could very cheerfully and with a very clear conscience repudiate any but a 50% settlement of the Saskatchewan 1938 seed debt. Is your conscience equally clear on this matter?

Yours truly,

*[Mrs.] Ethel McBain*

Beadle, Sask.

## History of the Seed Grain Dispute

The 1937 Saskatchewan crop failure affected about 85% of the province following 8 previous years of drouth and depression. The majority of Saskatchewan farmers absolutely had to receive assistance for seed grain to put in a crop for 1938.

The farmer signed notes to the municipalities for the amount of seed wheat they required at no specified price. Later the price of the grain was set at \$1.42 per bushel—50 cents more than the price those few farmers who had wheat in 1937 received for their grain. By 1945 the farmers' notes, with accumulated interest, represented more than \$2.00 per bushel.

Between 1938 and 1944, the federal and provincial governments kept extending the notes so that 4% interest was accumulating to the credit of the banks. Meanwhile, Saskatchewan farmers overwhelmingly called for 50% payment with the guaranteeing governments bearing the rest of the cost.

In 1944 Saskatchewan overwhelmingly elected a C.C.F. peoples' government which was pledged to carry out the wishes of the people as far as it was able.

When the new government assumed office it found the Patterson government had just O.K'ed another extension of the notes. The C.C.F. government refused to endorse the agreement because it believed the time for a just and equitable settlement had come.

In perfectly good faith and integrity, Premier T. C. Douglas travelled to Ottawa to work out a settlement with Federal Finance Minister J. L. Ilsley. The Saskatchewan Premier asked that the farmers pay one-half the principle of their notes and the Federal government pay the other half and accumulated interest as their contribution to the national disaster of 1937.

The Liberal government at Ottawa flatly refused to pay a single cent and demanded that the farmers and the Saskatchewan government pay everything—the exorbitantly high first cost of the grain and the accumulated interest since 1938.

This irresponsible stand of the federal Liberal government was repeated in a letter from Mr. Ilsley on November 1st, 1944, with the added condition that Saskatchewan pay over the whole amount (\$16,468,852.49) together with additional interest at three percent during the next five years.

Making a concession, the C.C.F. Saskatchewan government offered to collect the farmers' 50 percent and guaranteed to turn the money over to the Dominion government at the rate of not less than \$2,000,000 per year until it was all paid.

The Liberal government at Ottawa refused to consider this. Mr. Ilsley continued to demand ALL the money on his own terms.

Then the Saskatchewan government offered and sent a Treasury Bill to the federal government for the full amount in an effort to end the dispute and to leave to a future date the final adjustments and sharings of the debt burden.

When it received the treasury bill, the federal government demanded immediate payment of it—a thing which had never happened before in the history of Canada, and in spite of the fact payment had not been asked on \$80,000,000 in similar treasury bills given by the previous Liberal Saskatchewan government.

But before this happened, the federal government brazenly violated a solemn tax agreement of 1942 by which Saskatchewan agreed to give up the most lucrative tax fields to the Dominion in return for a guaranteed yearly subsidy. The Ottawa Liberals withheld the January, 1945, payment of the subsidy without even giving notice.

Now an arbitral tribunal, as provided by the tax agreement, is determining whether the Dominion government is within its right in withholding the subsidy.

In the meantime, two things are clear:

(1) The Ottawa Liberals are attempting to cripple the progressive measures and belated economic recovery of Saskatchewan farmers.

(2) The banks made a fat profit on lending the money at 4% interest, which has now been paid by the Dominion government, while poverty stricken Saskatchewan children went to school in rags and suffered from under-nourishment.

As a result of this malnutrition 49% of the first draft of these children raised in the "hungry thirties" were declared medically unfit for overseas service.

